

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NORTH DAKOTA

UNITED STATES OF AMERICA

v.

KELLY ANTHONY GLATT

**INDICTMENT**

Case No. \_\_\_\_\_

Violations: 18 U.S.C. §§ 1344, 1349, 2316, 2317, and 2

**COUNT ONE**

**Bank Fraud**

The Grand Jury Charges:

1. The Charge. Between on or about February 20, 2014, to on or about July 31, 2017, in the District of North Dakota, KELLY ANTHONY GLATT, individually, and by aiding and abetting, with the intent to defraud, knowingly executed and attempted to execute a scheme to: (1) defraud Choice Financial Group and Northland Financial, financial institutions whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC), and (2) obtain any of the money, funds, assets, and other property owned by, and under the custody and control of, Choice Financial Group and Northland Financial, by means of false and fraudulent pretenses, representations, and promises;

2. The Scheme. KELLY ANTHONY GLATT is the owner of KG TRUCKING, LLC and KG LIVESTOCK, and is a rancher who, during the time period of Count One of the Indictment, lived in Morton County, North Dakota. Choice Financial Group is a North Dakota banking corporation and is the successor entity of Northland Financial, which on or about October 23, 2015, merged with Choice Financial

Group. Throughout this Indictment, “Choice Financial Group” refers to both Choice Financial Group and its predecessor entity, Northland Financial.

On February 20, 2014, Choice Financial Group entered into a Line of Credit Agreement with KELLY ANTHONY GLATT, to which KELLY ANTHONY GLATT signed. Additionally, on February 20, 2014, Choice Financial Group and KELLY ANTHONY GLATT entered into Promissory Note Number 04 318349 84 (“Promissory Note”) for a principal sum of \$1,500,000.00, to which KELLY ANTHONY GLATT signed. The purpose of this loan was for KELLY ANTHONY GLATT to purchase cattle and livestock-related supplies. On or about February 20, 2014, KELLY ANTHONY GLATT signed a Security Agreement granting Choice Financial Group a security interest in all of his accounts and other rights to payment, inventory, equipment, instruments and chattel paper, general intangibles, documents, farm products and supplies, government payments and programs, investment property, and deposit accounts. Additionally, in this Security Agreement, it states that “farm products and supplies” include “all poultry and livestock and their young, along with their produce, products, and replacements.” Choice Financial Group and KELLY ANTHONY GLATT modified their February 20, 2014, Promissory Note on May 27, 2015, by executing a Loan Extension Agreement and on September 23, 2016, by executing a Change in Terms Agreement.

On February 22, 2017, Choice Financial Group sent KELLY ANTHONY GLATT a letter demanding payment in full of the \$1,500,000.00, February 20, 2014, Promissory Note by March 3, 2017. In this same letter, Choice Financial Group directed KELLY

ANTHONY GLATT to assemble all of the collateral securing the Promissory Note and make it available to Choice Financial Group on March 3, 2017.

On March 8, 2017, with the intent to defraud Choice Financial Group and to obtain any of the money, funds, assets, and other property owned by, and under the custody and control of Choice Financial Group, by means of false and fraudulent pretenses, representations, and promises, KELLY ANTHONY GLATT, under the name of Nick Gross, filed an Agricultural Statutory Lien, Initial Financing Statement Number 17-000181540-5 (“Lien”), in the amount of \$678,000.00, with the North Dakota Secretary of State’s Office. In North Dakota, agricultural liens are prioritized before all other liens. The supplier listed on the Lien is Nick Gross, Napoleon, North Dakota. The purchaser listed on the Lien is KELLY GLATT, Mandan, North Dakota.

On or about March 8, 2017, KELLY ANTHONY GLATT told Nick Gross that he had registered a lien with the North Dakota Secretary of State against KELLY ANTHONY GLATT in Nick Gross’ name. Additionally, KELLY ANTHONY GLATT told Nick Gross when the bank (Choice Financial Group) foreclosed on his loan and sold collateral, Nick Gross would receive the Lien amount before the bank (Choice Financial Group) would receive payment. Thereafter, KELLY ANTHONY GLATT told Nick Gross that once Nick Gross received the Lien payment amount, Nick Gross could give KELLY ANTHONY GLATT a portion of the Lien payment amount. Finally, after registering the Lien with the North Dakota Secretary of State in Nick Gross’ name, KELLY ANTHONY GLATT told Nick Gross, “I believe I was just able to rob a bank without using a gun.”

As alleged in Count Two of the Indictment, between on or about May 1, 2017, and on or about July 31, 2017, with the intent to defraud Choice Financial Group and to obtain any of the money, funds, assets, and other property owned by, and under the custody and control of Choice Financial Group, by means of false and fraudulent pretenses, representations, and promises, KELLY ANTHONY GLATT, individually, and by aiding and abetting, unlawfully received, concealed, stored, bartered, bought, sold, and disposed of livestock, namely, cattle over which Choice Financial Group had a secured interest, which had moved in and constituted a part of interstate commerce, namely, to South Dakota, knowing the same had been stolen, to conceal the cattle's location from Choice Financial Group.

As alleged in Count Three of the Indictment, between on or about May 1, 2017, and on or about July 31, 2017, with the intent to defraud Choice Financial Group and to obtain any of the money, funds, assets, and other property owned by, and under the custody and control of Choice Financial Group, by means of false and fraudulent pretenses, representations, and promises, KELLY ANTHONY GLATT, individually, and by aiding and abetting, unlawfully transported livestock, namely, cattle over which Choice Financial Group had a secured interest, in interstate commerce, namely, to South Dakota, knowing the same had been stolen, to conceal the cattle's location from Choice Financial Group.

In violation of Title 18, United States Code, Sections 1344, 1349, and 2.

COUNT TWO

**Interstate Sale of Stolen Livestock**

The Grand Jury Further Charges:

Between on or about May 1, 2017, and on or about July 31, 2017, in the District of North Dakota,

KELLY ANTHONY GLATT,

individually, and by aiding and abetting, unlawfully received, concealed, stored, bartered, bought, sold, and disposed of livestock, namely, cattle belonging to the following individuals:

- Choice Financial Group;
- Nick Gross;
- Craig Weigel;
- Kim Ressler;
- Tom Chisholm; and
- Hal “C.J.” Johnsrud, II,

which had moved in and constituted a part of interstate commerce, namely, to South Dakota, knowing the same had been stolen;

In violation of Title 18, United States Code, Sections 2317 and 2.

COUNT THREE

**Interstate Transportation of Stolen Livestock**

The Grand Jury Further Charges:

Between on or about May 1, 2017, and on or about July 31, 2017, in the District of North Dakota,

KELLY ANTHONY GLATT,

individually, and by aiding and abetting, unlawfully transported livestock, namely, cattle belonging to the following individuals:

- Choice Financial Group;
- Nick Gross;
- Craig Weigel;
- Kim Ressler;
- Tom Chisholm; and
- Hal “C.J.” Johnsrud, II,

in interstate commerce, namely, to South Dakota, knowing the same had been stolen;

In violation of Title 18, United States Code, Sections 2316 and 2.

A TRUE BILL:

/s/ Foreperson  
Foreperson

/s/ Drew H. Wrigley  
DREW H. WRIGLEY  
United States Attorney

JJO/kt